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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 23, 2010

CERTIFIED RETURN RECEIPT  
7003 2260 0002 0247 9345

Barry Peterson  
Gold Star Stone, Inc.  
1600 East Cottonwood  
PO Box 62  
Oakley, ID 83346

Subject: Five-Year Escalation of Reclamation Surety, Gold Star Stone Inc. Lone Pine Quarry,  
M/003/0050, Box Elder County, Utah

Dear Mr. Peterson:

The Division has completed a periodic review of the reclamation surety for the Lone Pine Quarry (copy enclosed). Currently the Division holds \$46,532.00 (in 2007 dollars) as surety for this site. The reclamation costs were updated to current costs and escalated five years. The new surety amount required for this site is \$48,900.00, an increase of \$2,368.00. Please provide the updated surety by May 24, 2010.

You may provide an increase to the existing certificate of deposit, or you may provide a new certificate of deposit for the additional amount. You could also provide a letter of credit, a surety bond, or cash (certified funds). Please contact Penny Berry at (801) 538-5291 for assistance or to obtain the current bonding forms. You may also access the current forms on the Division's Web site at [ogm.utah.gov](http://ogm.utah.gov). Once the Division receives the increased surety, you will be asked to sign an addendum to the reclamation contract.

Thank you for your cooperation in keeping your reclamation surety current. If you have any questions concerning this letter, please contact me at (801) 538-5261 or Lynn Kunzler at (801) 538-5310.

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB:lk:pb

Enclosure: Reclamation Surety Estimate

cc: Penny Berry, DOGM

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## RECLAMATION SURETY ESTIMATE - D8R

last revision 3/26/2009

Mine Operator

Gold Star Stone, Inc

Mine Name

Lone Pine Mine

DOGM file Number

M/003/0050

Prepared by Utah State Division of Oil, Gas &amp; Mining

## Reclamation Details

This estimate includes the original NOI, the 1-acre amendment of 2003, and the 2 acre amendment of 2006, for a total of 12,5 acres

Note: actual unit costs may vary according to site conditions

last unit cost update

03/26/09

-Amount of disturbed area which will receive reclamation treatments =

12.5 acres

-Estimated total disturbed area for this mine =

12.5 acres

Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	0	sum	600	0	(1)
Demolition of buildings & facilities	0	CF	0.33	0	(2)
Debris & equipment removal - trucking	0	trips	63.00	0	(3)
Debris & equipment removal - dump fees	0	ton	110.00	0	(4)
Debris & equipment removal - loading trucks w/FE loader	2	hour	245.50	491	(5)
Demolition & debris removal - general labor	20	hour	49.00	980	(6)
Regrading facilities areas - D8R (2ft depth)	0	acre	1463.00	0	(7)
Regrading - D8R dozer COST PER HOUR	0	hour	233.00	0	(7h)
Regrading waste dump slopes - D8R dozer	4000	CY	0.77	3080	(8)
Ripping waste dump tops - D8R dozer	3.5	acre	361.00	1264	(9)
Ripping stockpile & compacted areas - D8R dozer	3.5	acre	361.00	1264	(9)
Ripping pit floors - D8R dozer	2.5	acre	361.00	903	(9)
Ripping pit access roads - D8R dozer (2ft depth)	0.5	acre	682.00	341	(9)
Ripping - D8R dozer COST PER HOUR	0	hour	361.00	0	(9h)
Creating safety berms or barriers around highwalls -D8R	0	LF	0.22	0	(10)
Ripping access roads- D8R dozer	0	acre	361.00	0	(9)
Regrading access roads - D8R dozer	0	acre	697.18	0	(7)
Sidecast mtl replacement of steep slopes - trackhoe	1100	LF	1.26	1386	(11)
Sidecast mtl replacement- trackhoe COST PER HOUR	0	hour	378.00	0	(11h)
Surface drainage restoration or construction	0	LF	0.23	0	(10)
Topsoil replacement - D8R dozer	9000	CY	0.77	6930	(8)
Topsoil replacement - scraper	0	CY	1.39	0	(12)
Topsoil replacement - scraper COST PER HOUR	0	hour	446.00	0	(12h)
Topsoil replacement - truck only, 2 mi round trip	1000	CY	3.27	3270	(13)
Topsoil replacement - loading trucks - FE loader	0	CY	0.56	0	(14)
Topsoil replacement - FE loader COST PER HOUR	0	hour	176.33	0	(14h)
Mulching (2 ton/acre alfalfa/straw)	0	acre	400.00	0	(00)
Fertilizing (100 lb/acre diammonium phosphate)	0	acre	100.00	0	(00)
Composted manure (10 ton/acre)	12.5	acre	400.00	5000	(00)
Broadcast seeding	12.5	acre	280.00	3500	(00)
Drill Seeding	0	acre	280.00	0	(00)
Hydroseeding	0	acre	930.00	0	(00)
General site cleanup & trash removal	7	acre	100.00	700	(00)
Equipment mobilization	3	equip	3000	9000	(00)
		Subtotal		38108	
Reclamation supervision -10% of reclamation estimate				3811	(15)
		Subtotal		41918	
10% Contingency				4192	
		Subtotal		46110	
Escalate for 5 years at 1.2% per year				2834	



Assumes the scale house's demo'd volume is 1/2 the original. Weight of this structure is based on average density of wood and metal demolition wastes, as listed in the California Integrated Waste Management Board website at <http://www.ciwmb.ca.gov/leatraining/resources/cdi/tools/calculations.htm>, and the average trailer weight as estimated by two commercial trailer manufacturers, 05/08.

Based on phone conversation with personnel at the Wasatch County Transfer station, Wasatch/Duchesne County Landfill, August 2008, dump fees are \$33/ton for construction debris and mixed waste. \* Scrap metal (scale) disposal is free.

Assumes the crushers, conveyors, etc. will be transported up to 20 miles by flat bed to another contractor site location for future use. No resale value included.

**1 TOTAL**

**\$14,429**

**2**

### **Backfilling, grading, potential highwall reduction, and contouring**

The quarry itself will not be backfilled. In the event that the operator does not reclaim and the forfeits the bond, reclamation would include reduction of any highwalls or slopes left steeper than 2H:1V by a combination of pushing material down from above and backfilling pushed material against the highwall base. For the purpose of this bond analysis, it is assumed that the length and height of highwall/slope needing to be reduced is 3,000 ft. long x 200 ft. high, and that the highwall/slope needs to be reduced from an overall slope of 1H:1V to 2H:1V. In addition to highwall reduction, the pit floor will be ripped (see Bullet 9) and graded/contoured. Prior to grading, any remaining stockpiles (estimated to be 1/3 of maximum on hand at full production) will be spread. This is a separate line item from highwall reduction or grading/contouring. Grading and contouring will be minor operations that can be completed together in the time allotted below. A water truck will be available for dust suppression.

<b>Unfinished Highwall Reduction</b>						
	<b>Area</b>	<b>Total</b>	<b>production</b>	<b>equip</b>	<b>labor</b>	<b>Subtotal</b>
	<b>(acres)</b>	<b>CY</b>	<b>in CY/hr</b>	<b>\$/hr</b>	<b>\$/hr</b>	
Highwall 3,000 ft x 200 ft	1.4	5,556.00	435.75	175.93	61.75	3,030.52
		<b>ac/hr</b>	<b>hours</b>			
Compact & grade backfilled material at highwall base	1.4	3.1	0.44	94.86	60.10	67.84

Assumes use of a D10R Cat

<b>Grading/Contouring Floor/Facilities Area</b>						
	<b>Area</b>	<b>production</b>	<b>total</b>	<b>equip</b>	<b>labor</b>	<b>Subtotal</b>
	<b>(acres)</b>	<b>ac/hr</b>	<b>hours</b>	<b>\$/hr</b>	<b>\$/hr</b>	
	65.00	3.15	20.66	94.86	60.10	\$3,201.19

Assumes use of a Cat 16 grader, see Equipment sheet

<b>Stockpiles Remaining (in tons - assumes 1 CY = 0.77 ton)</b>						
	<b>max. inventory</b>	<b>25% of</b>				
Arena Sand	25,000	6,250				
Clay	10,000	2,500				
3/8" minus	25,000	6,250				
3/8" Chips	4,000	1,000				
1" drain rock	5,000	1,250				
2" septic rock	5,000	1,250				
3" minus rock	5,000	1,250				
2"-6" rock	1,000	250				
Blasted pit run	25,000	6,250				
1" road base	10,000	2,500				
Landscape boulders	5,000	1,250				
<b>TOTAL</b>	<b>120,000</b>	<b>30,000</b>				
<b>Area (acres)</b>	<b>production (lcy/hr)</b>	<b>total hours</b>	<b>equip \$/hr</b>	<b>labor \$/hr</b>		<b>Subtotal</b>
35.00	320.93	121.40	171.82	60.10		\$28,154.89

Assumes stockpiles will be spread by scraper to a 6" thickness over 35 acres. See Rates sheet



	Total	48944
Rounded surety amount in year 2014 \$		\$48,900
Average cost per disturbed acre =	3916	

RECLAMATION SURETY ESTIMATE - D8R	last revision	3/26/2009
Mine Operator	Gold Star Stone, Inc	
mine name	Lone Pine Mine	
DOGM file number	M/003/0050	
Prepared by Utah State Division of Oil, Gas & Mining		
<b>Note</b>	<b>last unit cost update</b>	<b>03/26/09</b>
DOGM lump sum assumed		
Means 2009, 02 41 16.13 0100, Building Demolition, mix of types, avg., excluding dump fees		
Means 2009, 02 41 19.23 5100, bldg demo, rubbish handling, \$0.63/CY per mile for >8CY truck; assumed 100 miles round trip		
Means 2009, 02 41 19.21 0020, dump charges, typical urban city, tipping fees only, bldg construction mtls		
Rental Rate Blue Book 2nd Half 2007, Cat 980H, 7.5 CY \$125/hr+\$58.35/hr, & Means 2009 Eqmd \$62.15, loading trucks only = \$245.50		
Means 2009 Common Building Laborer (Clab), incl. O & P		
Means 2009 & Blue Book 2nd Half 2007+ 10%, Cat Dozer, mtl 2550 lb/CY, 50 ft push, 2 ft depth		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer - size specified		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 1.0 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 1.0 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 1.0 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 0.5 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 1.0 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, multi shank rippers, speed 1.0 mph		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, mtl 2550 lb/CY, 50 ft push, 1 ft depth		
Means 2009 & Blue Book 2nd Half 2007: Cat 345C L Excavator, 2.5CY bucket, 75% efficiency, 20 ft wide road, used avg 1.0 CY/LF		
Means 2009 & Blue Book 2nd Half 2007: Cat 345C L Excavator, 2.5CY bucket		
Means 2009 & Blue Book 2nd Half 2007: Cat Dozer, size specified, mtl 2550 lb/CY, 50 ft push, used avg vol 0.5CY/LF-berm		
Means 2009 & Blue Book 2nd Half 2007, Cat Dozer, mtl 2550 lb/CY, 100 ft push, 1 ft depth		
Means 2009 & Blue Book 2nd Half 2007: Cat 627G P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%,		
Means 2009 & Blue Book 2nd Half 2007: Cat 627G P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%,		
Means 2009 31 23 23.20 5200: earthwork, hauling excavated or borrow, loose cy, no loading incl., off highway hauler, 22 CY, 2 mile round		
Means 2009 & Blue Book 2nd Half 2007, Cat 950H FE loader, 3.25 CY bucket		
Means 2009 & Blue Book 2nd Half 2007, Cat 950H FE loader, 3.25 CY bucket		
DOGM general estimate - mulching		
DOGM general estimate - fertilizing		
DOGM general estimate - manure \$19/ton delivered, \$16 ton/acre spreading		
DOGM general estimate - broadcast seeding		
DOGM general estimate - drill seeding		
DOGM general estimate - hydroseeding		